

ORDINANCE NO. ____ SERIES 2009

AN ORDINANCE APPROVING A FORTY-FIVE MILLION (\$45,000,000) DOLLAR TENTATIVE SETTLEMENT OF LITIGATION WITH EIGHT HUNDRED THIRTY-FOUR (834) PLAINTIFFS, CURRENT AND FORMER MEMBERS OF THE LOUISVILLE FIRE DEPARTMENT, FOR OVERTIME DUE ON LUMP SUM ALLOWANCES FROM 1985 THROUGH 2008 AND APPROPRIATING FIFTEEN MILLION EIGHT HUNDRED THOUSAND (\$15,800,000) DOLLARS, PLUS ASSOCIATED EMPLOYER COSTS, FOR AN INITIAL PAYMENT OF THE SETTLEMENT AND APPROVING THE REMAINING SETTLEMENT, PLUS ASSOCIATED EMPLOYER COSTS, TO BE PAID IN TWO INSTALLMENTS OF FOURTEEN MILLION THREE HUNDRED THOUSAND (\$14,300,000) DOLLARS BY MARCH 31, 2010 AND FOURTEEN MILLION NINE HUNDRED THOUSAND (\$14,900,000) DOLLARS BY JULY 15, 2010, SUCH AMOUNTS TO BE FINANCED THROUGH APPROPRIATE DEBT INSTRUMENTS.

SPONSORED BY : President David W. Tandy

WHEREAS, former and current employees of the Louisville Fire Department filed claims in 2000 against the City of Louisville for the failure of the city to pay overtime on certain lump sum allowances given to the employees under state wage and hour laws and subsequently their union contract; and

WHEREAS, the City of Louisville challenged the calculation of the overtime due and the contract claim but received adverse decisions by Jefferson Circuit Court, the Kentucky Court of Appeals and the Kentucky Supreme Court on most of the claims made; and

WHEREAS, Louisville Metro as a successor to the City of Louisville was held by the Courts to be liable for the unpaid overtime; and

WHEREAS, a mediation was held on October 5, 2009 to resolve the dispute without additional litigation.

NOW THEREFORE BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE COUNCIL) AS FOLLOWS:

Section I. The Metro Council approves the tentative settlement of litigation with eight hundred and thirty-four (834) former and current employees of the Louisville Fire Department for a sum of Forty-five Million (\$45,000,000) Dollars payable as follows:

By December 1, 2009 – One Million Five Hundred Thousand (\$1,500,000) Dollars in attorneys' fees and Fourteen Million Three Hundred Thousand (\$14,300,000) Dollars to the Plaintiffs of specific amounts as determined by agreement of the parties;

By March 31, 2010 – Fourteen Million Three Hundred Thousand (\$14,300,000) Dollars to the Plaintiffs of specific amounts as determined by agreement of the parties;

By July 15, 2010 – Fourteen Million Nine Hundred Thousand (\$14,900,000) Dollars to the Plaintiffs of specific amounts as determined by agreement of the parties.

Section II. The sum of Eight Million Six Hundred Thirty-two Thousand One Hundred Thirty-One Dollars and Twelve Cents (\$8,632,131.12) is hereby transferred from the Fiduciary Fund and the sum of Seven Million One Hundred Sixty-Seven Thousand Eight Hundred Sixty-Eight Dollars and Eighty-Eight Cents (\$7,167,868.88) is hereby transferred from the designated portion of the General Fund Balance to the Risk Management Fund for the purpose of the December 1, 2009 settlement described in Section I. The sum of \$15,800,000 plus associated employer costs is hereby appropriated from the Risk Management Fund for the disbursement of the December 1, 2009 Settlement payment.

Section III. The Director of the Office of Management and Budget is hereby authorized to pursue an appropriate financing mechanism for the remaining funds needed to effectuate the settlement plus all associated employer costs, from which Louisville Metro expects and intends to be reimbursed for any prepaid associated employee costs expended under Section II above. Such financing shall be presented to the Metro Council for approval.

Section IV. This ordinance shall take effect upon its passage and approval.

Kathleen J. Herron
Metro Council Clerk

David W. Tandy
President of the Council

Jerry E. Abramson
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:
Michael J. O'Connell
Jefferson County Attorney

BY: _____